

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

5. LEASE DESIGNATION AND SERIAL NO.

ML-47078

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

7. UNIT AGREEMENT NAME

B TYPE OF WELL

Oil Well ☐

Gas Well ☒

OTHER

Single Zone ☐

Multiple Zone ☒

8. FARM OR LEASE NAME

2. Name of Operator

Lone Mountain Prod., Co.

9. WELL NO.

State M 44-2

3. Address of Operator

P.O. Box, 3394, Billings, MT 59103 406-245-5077

10. FIELD OR LEASE NAME

4. Location of Well (Report location clearly and in accordance with any State requirement)

At surface

909' FSL, 748' FEL

SE/SE

11. Sec., T., R., M., OR BLK

AND SURVEY OR AREA

Sec. 2, T11S, R23E

At proposed prod. Zone

271

278

12. COUNTY OR PARISH 13. STATE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Utah

Utah

15. Distance from proposed location to nearest Property or lease line ft.

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL

(Also to nearest drtg. Unit line, if any)

748'

704

40

16. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING COMPLETED.

19. PROPOSED DEPTH

20. ROTARY OR CABLE TOOLS

OR APPLIED FOR, ON THIS LEASE, FT.

2,387

5000'

Rotary

21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.)

6,016'

22. APPROX. DATE WORK WILL START

Sept. 1, 1998

23

PROPOSED CASING AND CEMENT PROGRAM

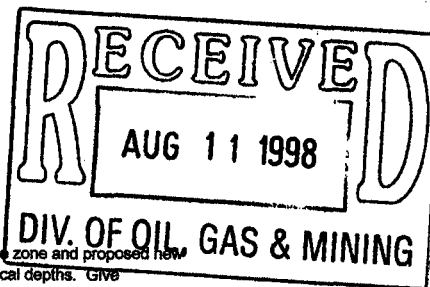
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	36	300	To Surface
7 7/8	4 1/2	11.6	T.D.	Cement top to cover the oil shale

Operator requests permission to drill the subject well.

Please see the attached 10 Point and 13 Point Surface Use Plane.

If you require additional information please contact:

William Ryan
350 S., 800 E.
Vernal, Utah
435-789-0968



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed in to deepen or plug back, give data on proposed productive zone and proposed new productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depths. Give blowout preventer program, if any.

24

SIGNATURE

William Ryan

TITLE

Agent

DATE

July 23, 1998

(This space for Federal or State Office use)

PERMIT NO.

43-047-33174

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

*See Instructions on Reverse Side

Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Ten Point Plan

Lone Mountain Prod., Co.

State M 44-2

Surface Location SE 1/4, SE 1/4, Section 2, T. 11 S., R. 23 E.

1. Surface Formation:

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	+6,016' G.L.
Oil Shale	501	+5,515
Wasatch	2,976	+3,040
Mesaverda formation	4,726	+1,290
T.D.	5,500	+516

3. Producing Formation Depth:

Formation objective includes the Wasatch and its sub-members.

Off Set Well Information:

Off set well: None

4. Proposed Casing:

<u>Hole</u> <u>Size</u>	<u>Casing Grade</u> <u>Size</u> <u>Weight/Ft.</u>	<u>Setting</u> <u>& Tread</u>	<u>Casing</u> <u>Depth</u>	<u>New/Used</u>
12 1/4	9 5/8 36	J-55/STC	300	New
7 7/8	4 1/2 11.6	J-55/LTC	T.D.	New

Cement Program:

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
9 5/8	Class "G" 2% Calcium 1/4 #/sk. Cello Flake	150 sks. +/-	1.16 cu. ft./sk.	15.82 lbs./gal.
4 1/2 Lead.	Class "G" 3% salt 16% gel (Bentonite) 2% WR15 .4 lbs./sk. FL 25	205 sks. +/-	3.91 cu. ft./sk.	11.0 lbs./gal.
Tail	Class "G" 10% salt 10% gel .1% R-3 .4 FL-25	540 sks. +/-	1.44 cu. ft./sk.	15.23 lbs./gal.

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to the minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./Qt.</u>	<u>Fluid Loss Ml/30 Mins.</u>	<u>Mud Type</u>
0-300	Air/Clear Water	----	No Control	Water/Gel
300-2500	Clear Water	----	No Control	Water/Gel
2500-T.D.	8.4-8.6	30	8-10	Water/Gel

7. Auxiliary Equipment:

Upper Kelly cock, full opening stabbing valve, 2 1/2" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging:

Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H₂S.

10. Drilling Schedule:

The anticipated starting date is September 1, 1998. Duration of operations expected to be 30 days.

LONE MOUNTAIN PRODUCTION COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

STATE M 44-2

LOCATED IN

SE 1/4, SE 1/4

SECTION 2, T. 11 S., R. 23 E., U.S.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UT ML-47078

**SURFACE OWNERSHIP: STATE OF UTAH, FEDERAL,
& PRIVATE**

1. Existing Roads

To reach the **Lone Mountain Production Co. well State M 44-2, in Section 2, T 11 S, R 23 E**, from Bonanza, Utah:

Starting in Bonanza Utah proceed south on the paved road for 4 miles.

Turn south (left) on the Book Cliffs road (dirt road). Proceed south 3.9 miles to the Greeks Corrals.

Turn west (right) at the fork in the road. Proceed 8.3 miles to the Asphalt Wash sign.

Stay to the south (left) of the sign. Proceed .7 miles to the Rainbow sign.

Stay to the west (right) of the Rainbow sign. This is also called the Kings Wells road. Proceed 10.5 miles.

Turn north (right) proceed 7 miles, stay to the right at Y's in the road.

The proposed access road will start at this point.

All existing roads to the proposed location are State or County Class D roads.

Please see the attached map for additional details.

2. Planned access road

The proposed location will require approximately 2.0 miles of access road upgrading and .5 miles of new construction.

The road will be built to the following standards:

A) Approximate length	2.5 miles
B) Right of Way width	30 Ft.
C) Running surface	18 Ft.
D) Surfacing material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road flagged	Yes
K) Access road surface ownership	Federal & State of Utah and Private
L) All new construction on lease	No
M) Pipe line crossing	None

Please see the attached location plat for additional details.

A right-of-way for the access road from the BLM will be required in Sections 3, 1, 11 and 12.

A right of way will be required to cross the patented lands in Section 2. The surface owner is American Gilsonite Co., Bonanza Utah (435-789-1921)

3. Location of existing wells

The following wells are located within a one mile radius of the location site.

A) Producing well	Lapaglia #1 Sec. 3, T11S, R23E R.H. 27 Sec. 10, T11S, R23E
-------------------	--

**R.H. 3 & R.H. 21
Sec. 11, T11S, R23E**

- | | |
|----------------------------|------|
| B) Water well | None |
| C) Abandoned well | None |
| D) Temp. abandoned well | None |
| E) Disposal well | None |
| F) Drilling/Permitted well | |

State M 42-2

State M 23-2

Sec. 2, T11S, R23E

- | | |
|-----------------------------------|------|
| G) Shut in wells | None |
| H) Injection well | None |
| I) Monitoring or observation well | None |

Please see the attached map for additional details.

4. Location of tank batteries, production facilities, and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Juniper Green** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required **paint** color is **Juniper Green**.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulations identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of production in paying quantities a surface pipeline will be required. The line will be welded on location and on the access road, then boomed off the road. The approximately length will be 2.5 miles and follow the proposed access road and traverse the same surface owner ship. The line will be a 2" or 4" steel surface pipeline.

The pipeline will require a BLM right-of-way in Section 3.

Please see the attached location diagram for pipeline location. There will be no additional surface disturbances required for the installation of a gathering line.

The gas meter run will be located within 500' of the well head. The gas line will be buried or anchored down from the well head to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter proving schedule. A copy of the meter calibration report will be submitted to

the State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing the subject well will be hauled by truck from Rosewoods water station in Section 13, T11S, R23E. A second location may be used. It would be Evacuation Creek permit # 49-1595. The Evacuation Creek distribution point is in Section 7, T11S, R25E. Water for completion will come from the same supply or Vernal City.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravels or pit lining material will be obtained from private sources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately 10 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will not be used to store water for drilling. A semi-

closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90 days an application will be made to the authorized officer for approval for a permanent disposal method and location.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized land fill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follow:

- | | |
|-------------------------|-----------------------|
| A) Pad length | 350 ft. |
| B) Pad width | 158-134 ft. |
| C) Pit depth | 8-10 ft. |
| D) Pit length | 70 ft. |
| E) Pit width | 12 ft. |
| F) Max cut | 9 ft. |
| G) Max fill | 14.5 ft. |
| H) Total cut yds. | 7,460 cu. yds. |
| I) Pit location | west side |
| J) Top soil location | north end |
| K) Access road location | South end |
| L) Flare pit | corner 6 |

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,000 cubic yards of material. **Topsoil will be stockpiled in two distinct piles (location topsoil and pit topsoil).** Placement of the topsoil is noted on the attached location plat. **The topsoil pile from the location will be seeded as soon as the soil is stock piled** with a seed mix provided by the State of Utah. The unused portion of the location (the area outside the dead men.) will be recontoured

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be recontoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

Seed will be spread when the topsoil is stock piled and when reclamation work is performed.

B) Seed Mix

At such time as the well is plugged and abandoned the operator will submit a surface reclamation plan to the surface management agency for prescribed seed mixture and reseeding requirements.

11. Surface ownership:

Access road	State of Utah, Federal & Private
Location	State of Utah
Pipeline	State of Utah, Federal & Private

12. Other information

A) Vegetation:

The vegetation coverage is slight.
The majority of the existing vegetation consists of sagebrush.
Rabbit brush, bitter brush and Indian

rice grass are also found on the location.

B) Dwellings:

There are no dwellings or other facilities within a one mile radius of the location.

C) Archeology:

The location has not been surveyed. A copy of that survey will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations which would effect such sites will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

The nearest water is the White River located 2 miles to the north.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

a) Location construction

At least forty eight (48) hours prior to construction of location and access roads

b) Location completion

Prior to moving in the drilling rig.

c) Spud notice

At least twenty-four (24) hours prior to spudding the well.

d) Casing string and cementing

At least twenty-four (24) hours prior to running casing and cementing all casing strings.

e) BOP and related equipment tests

At least twenty-four (24) hours prior to initial pressure tests.

f) First production notice

Within five (5) business days after the new well begins, or production resumes after well has been off production for more than ninety 90 days.

H) Flare pit:

The flare pit will be located in corner B of the reserve pit outside the pit fence and 100 feet from the bore hole on the **south side of the location**. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative

William A. Ryan

Rocky Mountain Consulting
350 South 800 East
Vernal, Utah 84078

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, the applicable

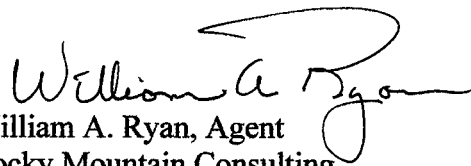
laws, regulations, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by **Lone Mountain Production Company** and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date July 23, 1998


William A. Ryan, Agent
Rocky Mountain Consulting

Statement of use of Hazardous Material

No chemical(s) from the EPA's Consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986.

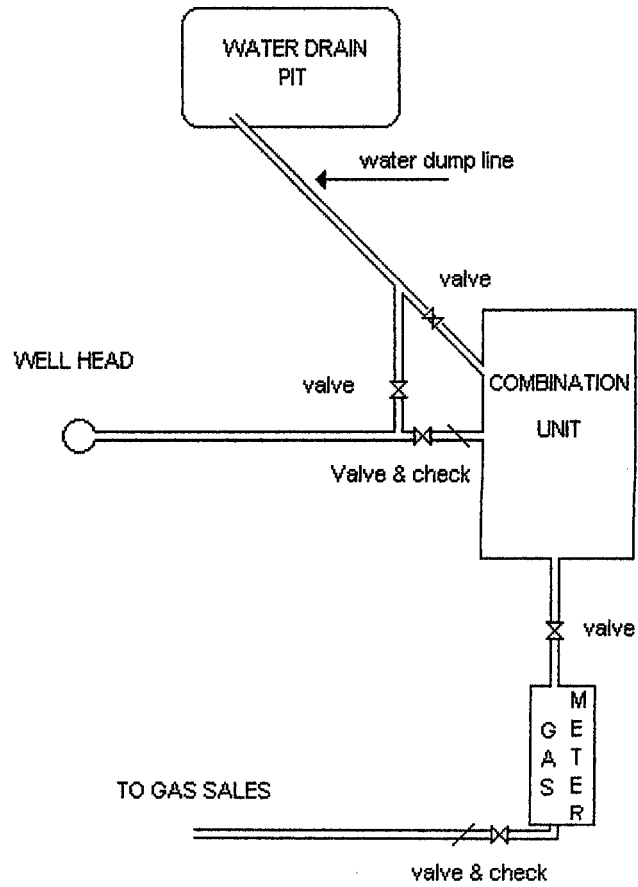
Will be used, produced, transported, stored, disposed, or associated with the proposed action, No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

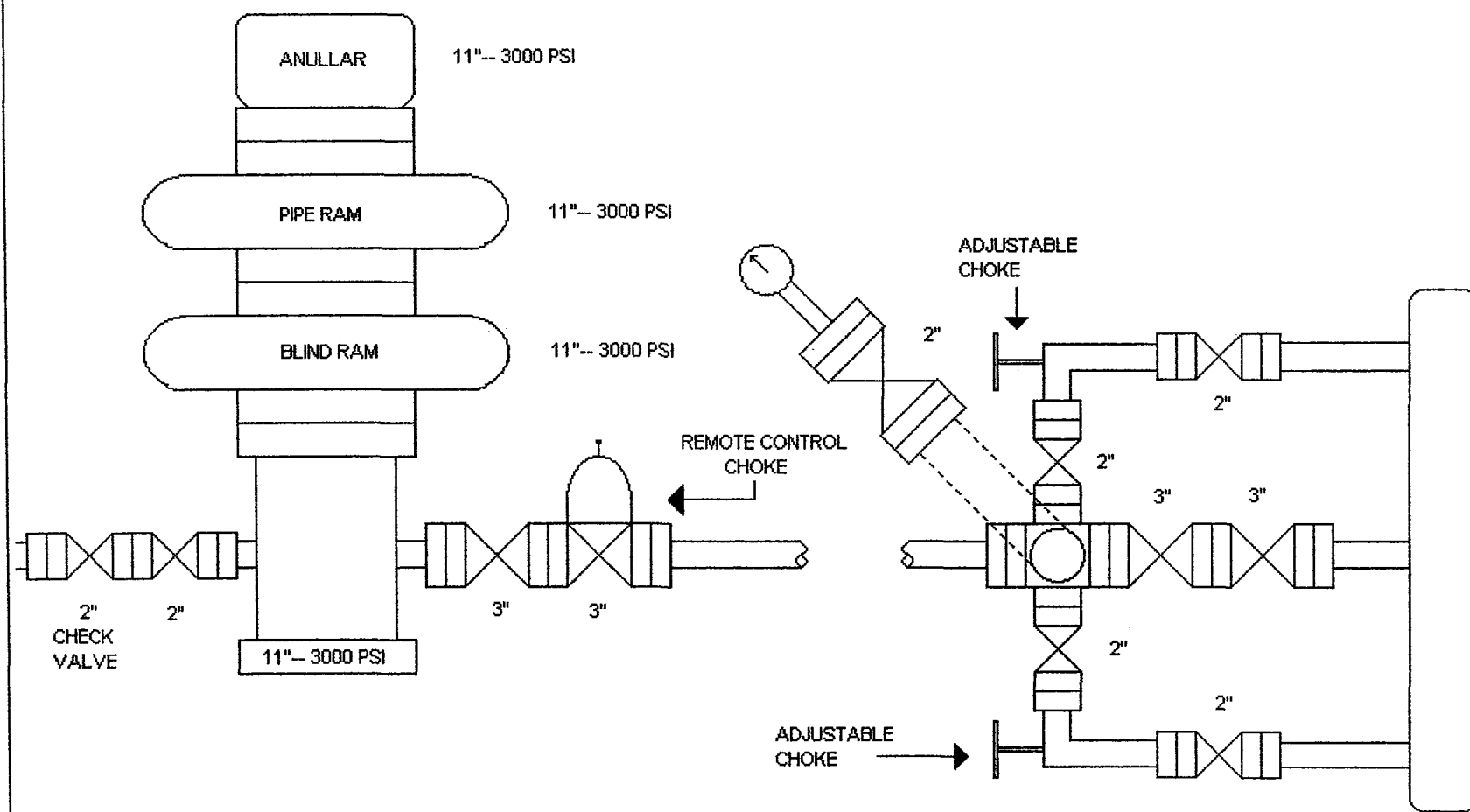
If you require additional information please contact:

William A Ryan
Agent for Lone Mountain Production Company
Rocky Mountain Consulting
350 S. 800 E.
Vernal Utah, 84078

Telephone
(435) 789-0968 office
(435) 828-0968 cellular
(435) 789-0970 fax

LONE MOUNTAIN
TYPICAL
GAS WELL





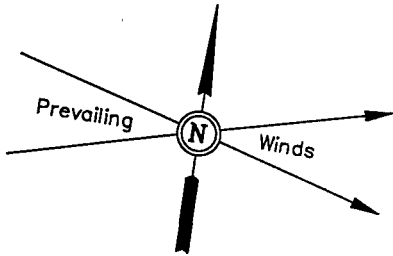
LONE MOUNTAIN PRODUCTION

LOCATION LAYOUT FOR

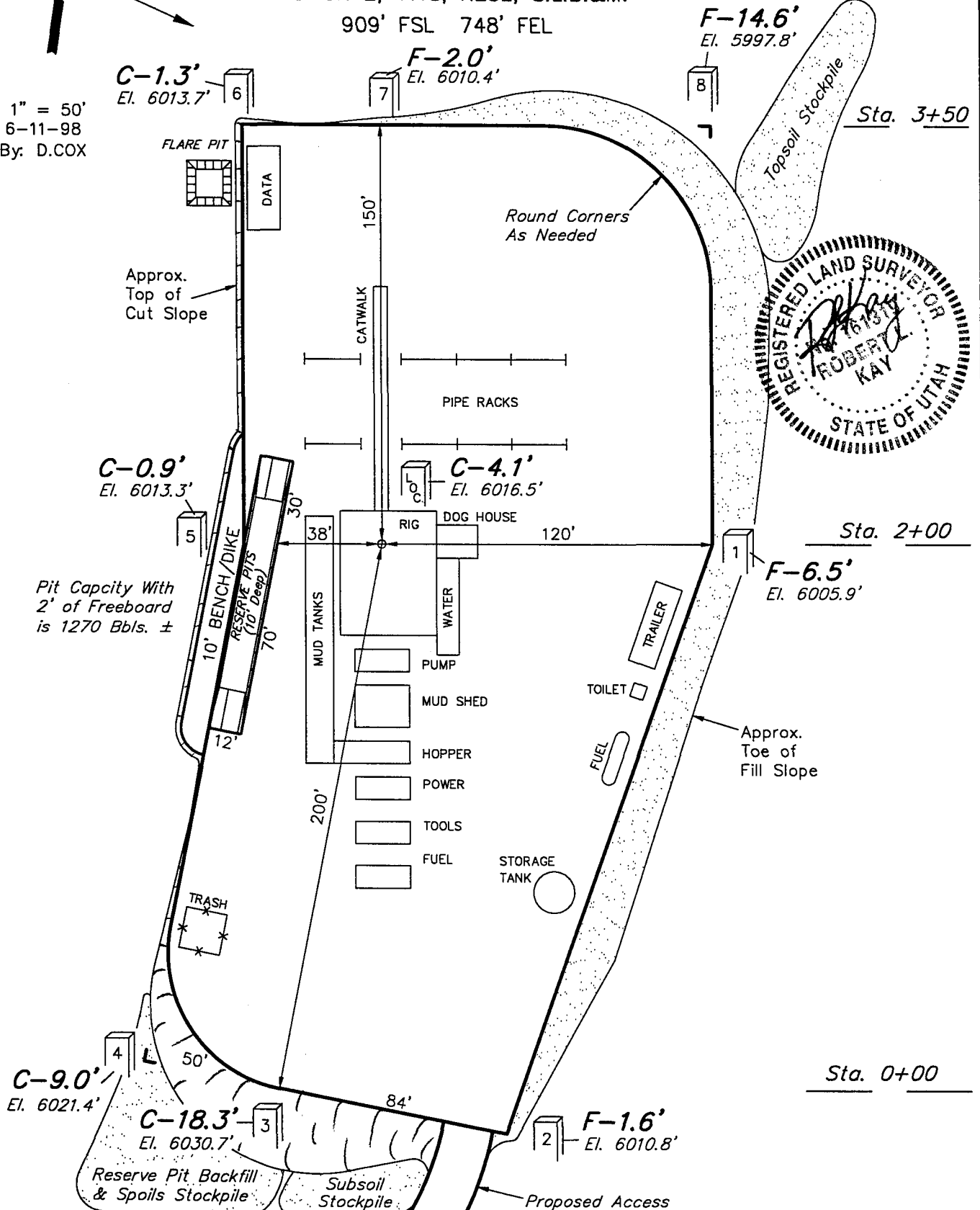
STATE M #44-2

SECTION 2, T11S, R23E, S.L.B.&M.

909' FSL 748' FEL



SCALE: 1" = 50'
DATE: 6-11-98
Drawn By: D.COX



Elev. Ungraded Ground at Location Stake = 6016.5'
Elev. Graded Ground at Location Stake = 6012.4'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

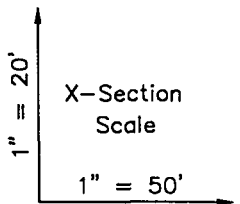
LONE MOUNTAIN PRODUCTION

TYPICAL CROSS SECTIONS FOR

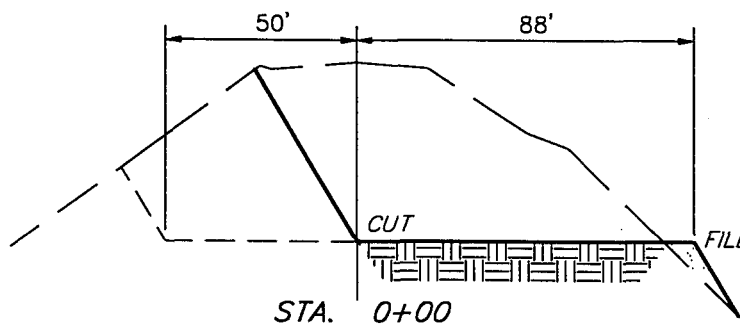
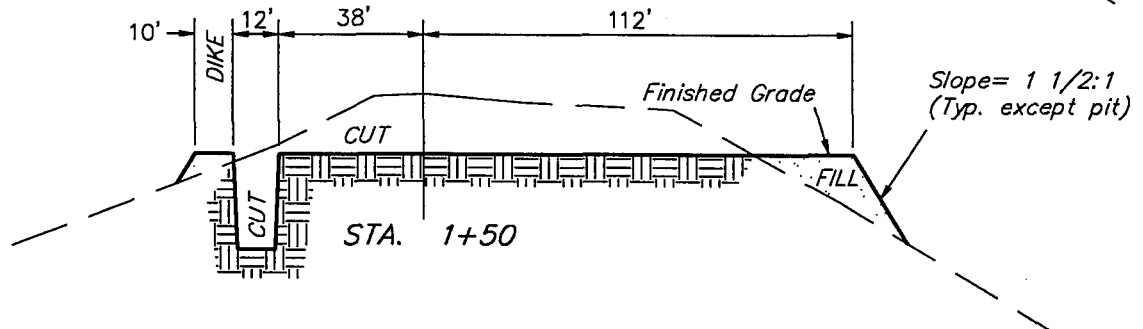
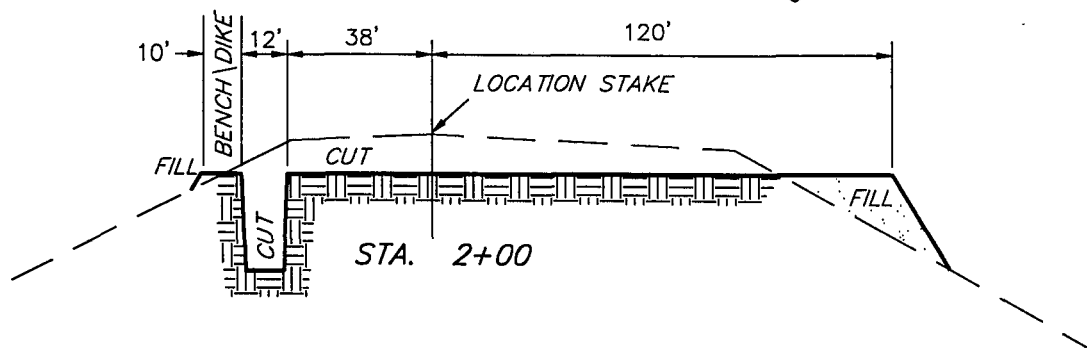
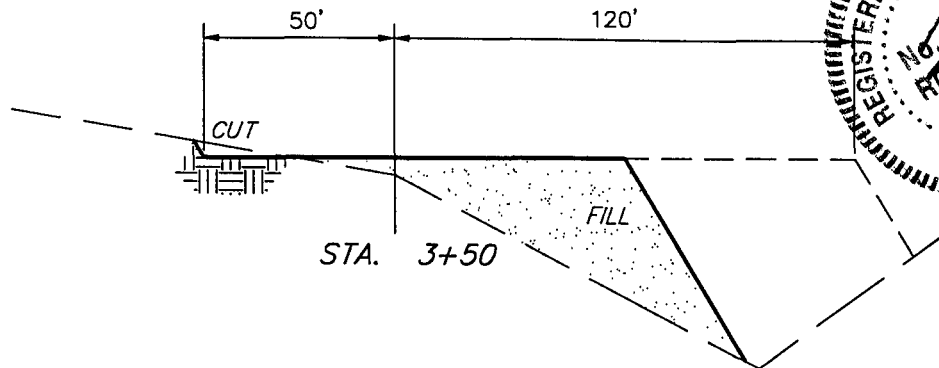
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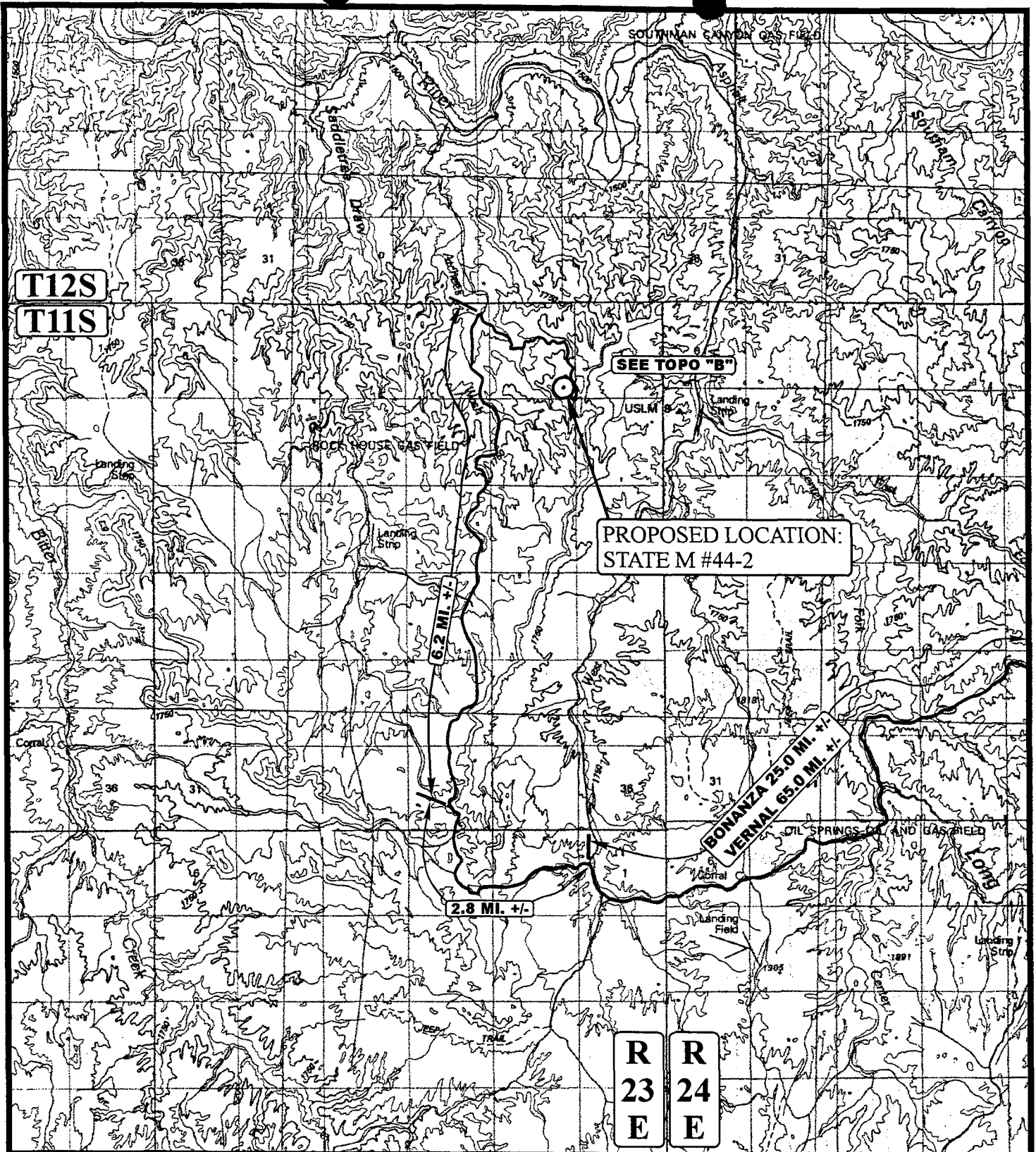


APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,040 Cu. Yds.
Remaining Location	=	6,420 Cu. Yds.
TOTAL CUT	=	7,460 CU.YDS.
FILL	=	5,920 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	1,230 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	1,230 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

⊙ PROPOSED LOCATION

LONE MOUNTAIN PRODUCTION

STATE M #44-2

SECTION 2, T11S, R23E, S.L.B.&M.

909' FSL 748' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

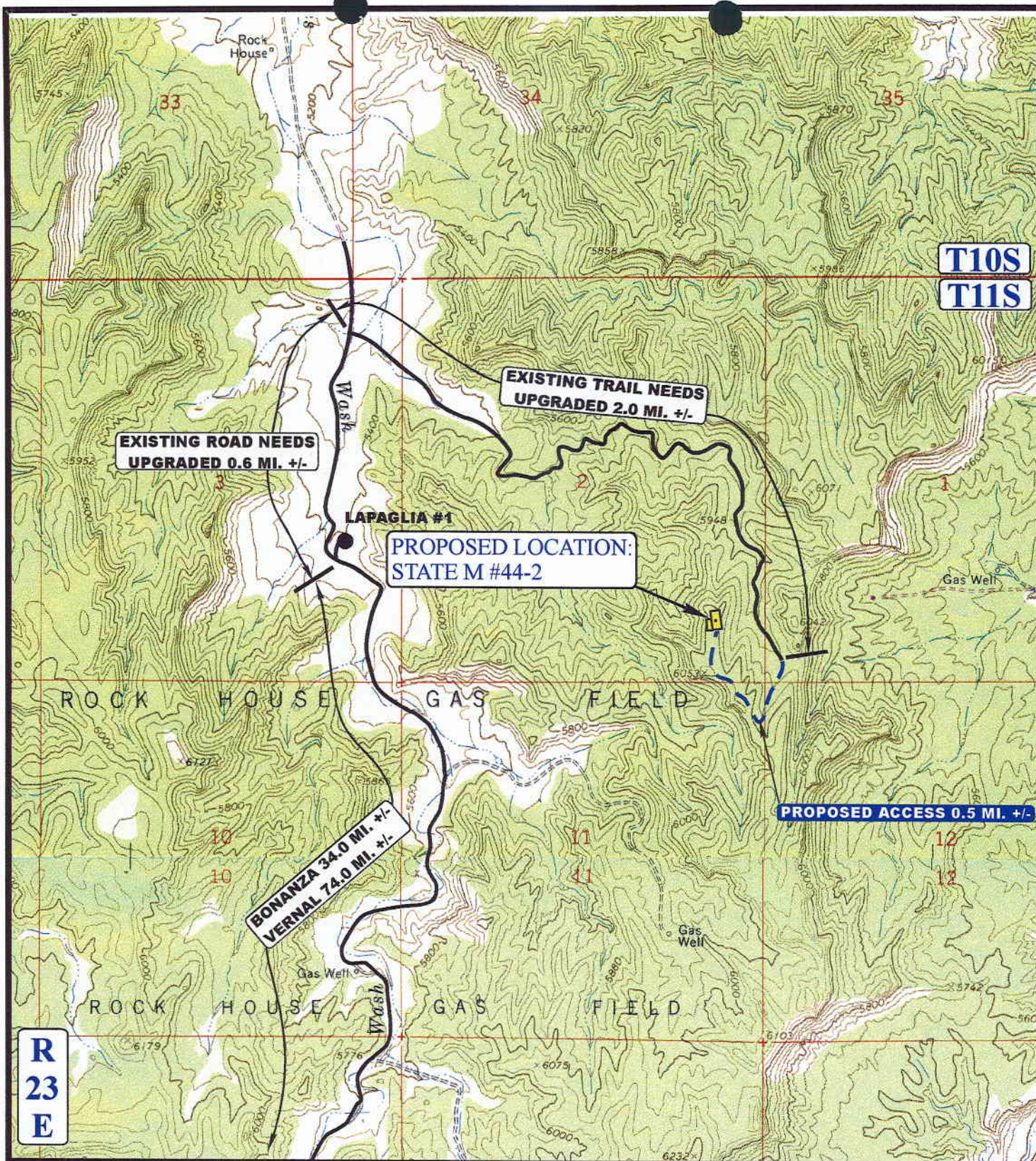


**TOPOGRAPHIC
MAP**

6 8 98
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 00-00-00





LEGEND:

--- PROPOSED ACCESS ROAD
— EXISTING ROAD

LONE MOUNTAIN PRODUCTION

STATE M #44-2
SECTION 2, T11S, R23E, S.L.B.&M.
909' FSL 748' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

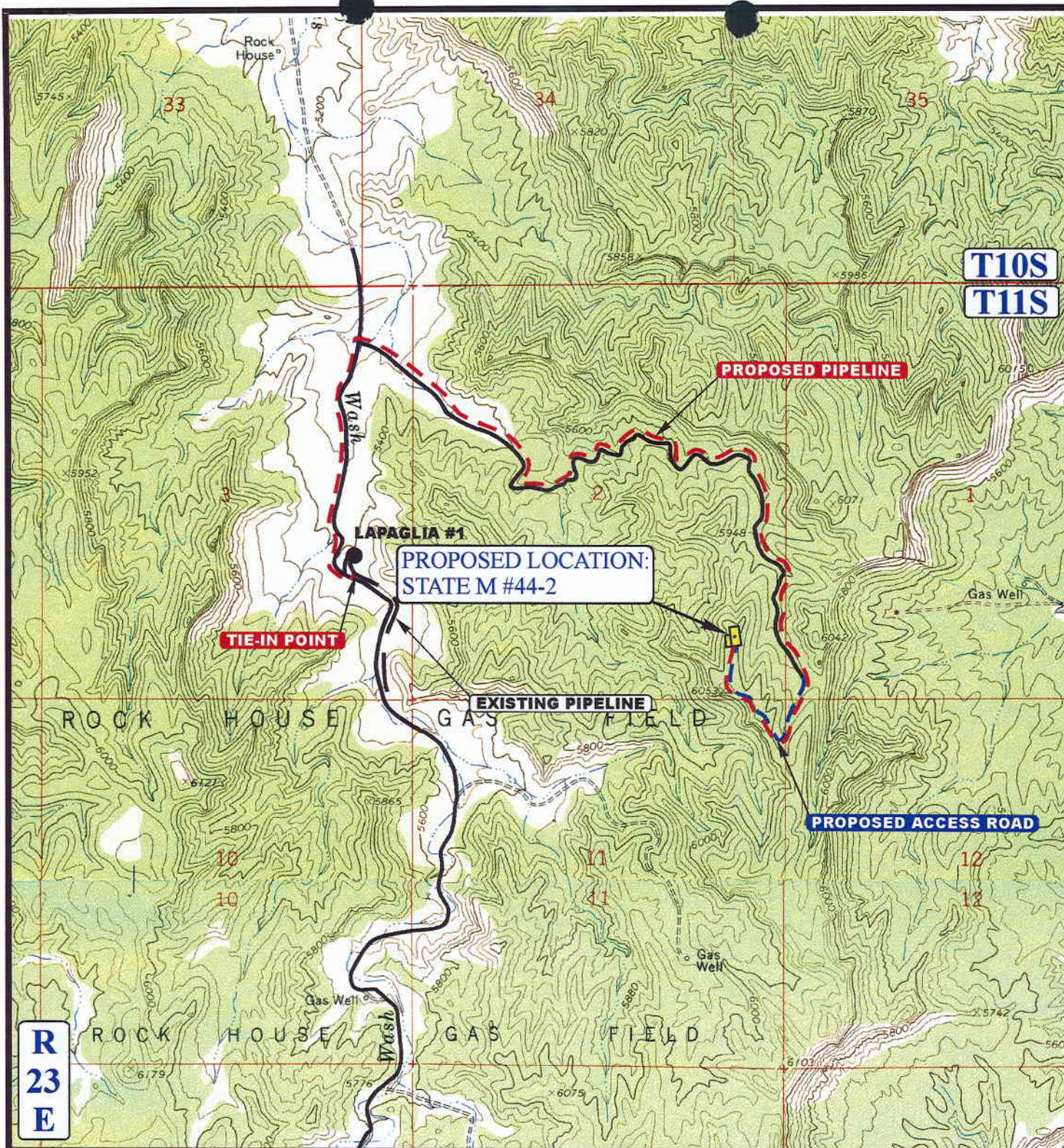


**TOPOGRAPHIC
MAP**

6 8 98
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 17,500' +/-

LEGEND:

- — — — — EXISTING PIPELINE
- - - - - PROPOSED PIPELINE
- — — — — PROPOSED ACCESS

LONE MOUNTAIN PRODUCTION

STATE M #44-2
SECTION 2, T11S, R23E, S.L.B.&M.
909' FSL 748' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC
MAP

6 8 98
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/11/1998

API NO. ASSIGNED: 43-047-33174

WELL NAME: STATE M 44-2
OPERATOR: DOMINION EXPL & PROD (N1095)
CONTACT: DIANN FLOWERS

PHONE NUMBER: 281-873-3692

PROPOSED LOCATION:

SESE 02 110S 230E
SURFACE: 0909-FSL-0748-FEL
BOTTOM: 0909-FSL-0748-FEL
UINTAH
ROCK HOUSE (670)

LEASE TYPE: 3 - State
LEASE NUMBER: ML-47078
SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSTC

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	Ram	4/24/01
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[3] Fee[]
(No. 76S6305036)
☒ Potash (Y/N)
☒ Oil Shale (Y/N) *190-5 (B) or 190-3
☒ Water Permit
(No. 43-10447)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)

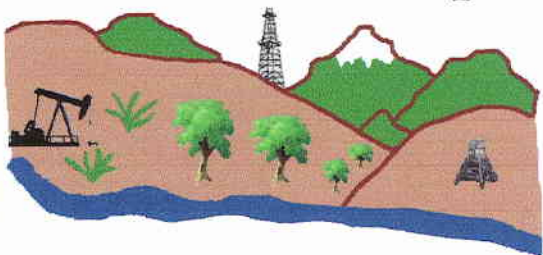
LOCATION AND SITING:

___ R649-2-3. Unit ___
___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☒ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 210-3(B)
Eff Date: 2-24-99
Siting: Gen St. (40')
___ R649-3-11. Directional Drill

COMMENTS:

Presite 10-20-98

STIPULATIONS: ① STATEMENT OF BASIS



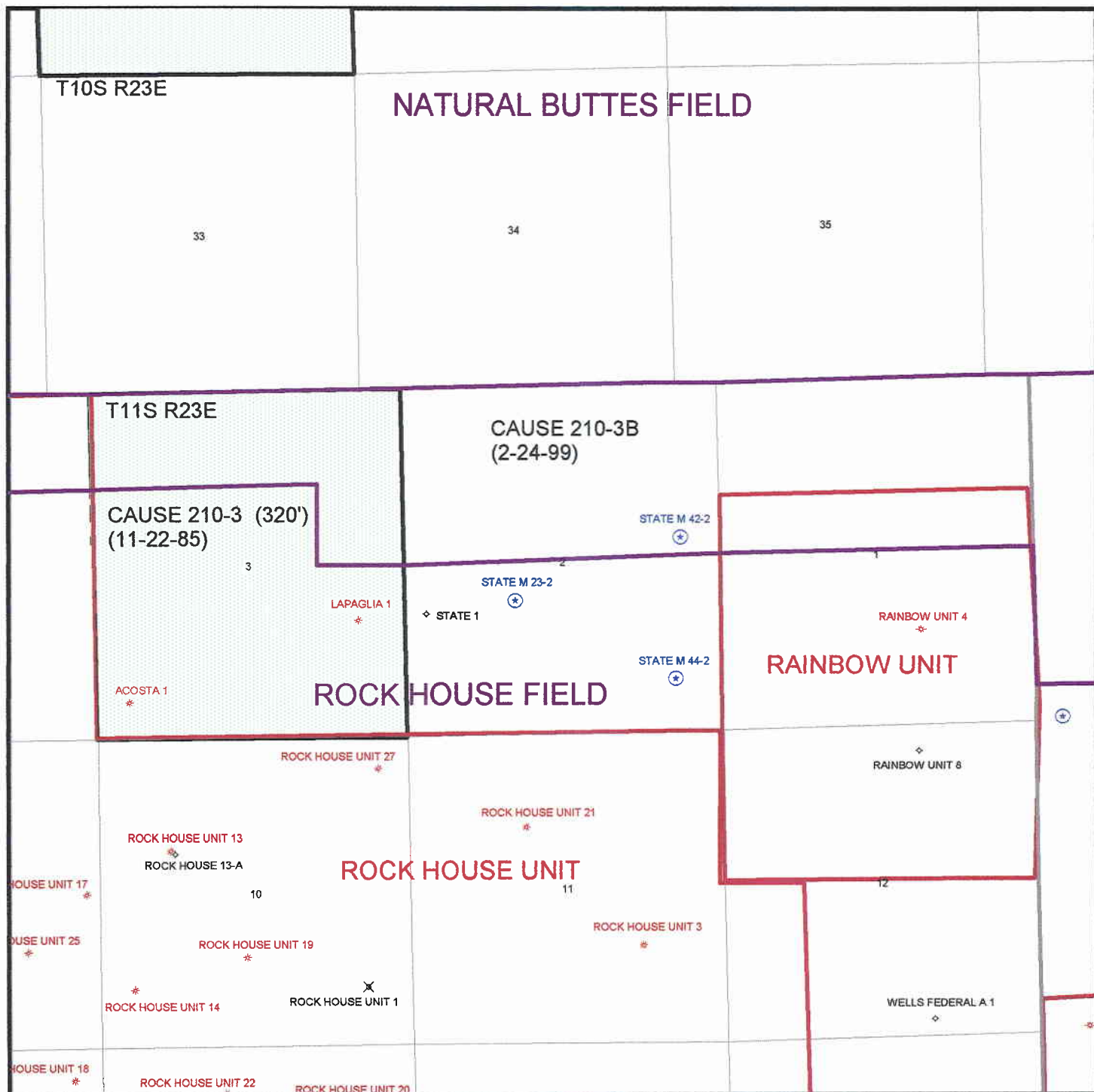
Utah Oil Gas and Mining

OPERATOR: DOMINION E&P INC (N1095)

SEC. 2, T11S, R23E

FIELD: ROCK HOUSE (670)

COUNTY: UINTAH CAUSE: 210-3B



Casing Schematic

Surface

9-5/8"
MW 8.3
Frac 19.3
501'
OIL SHALE

TOC @
0. ~ w/ 15% WASH-OUT
TOC @ Surface
312. 300. MD

BOP

$$.052(8.6)5000 = 2236$$

$$.12(5000) = \underline{600}$$

$$\underline{\underline{1636 \text{ psi}}}$$

∴ 3M- SRRA - BOP

IS ADEQUATE.

RAM
4/24/01

~ w/ 15% WASH OUT
COVER OIL SHALE

4-1/2"
MW 8.6

Production
5000. MD

Well name:	04-01 Dominion State 44-2		
Operator:	Dominion E & P		
String type:	Production	Project ID:	43-047-33174
Location:	Uintah Co.		

Design parameters:
Collapse

Mud weight: 8,600 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 135 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: 312 ft

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.447 psi/ft
Calculated BHP 2,234 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.
Neutral point: 4,357 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5000	4.5	11.60	J-55	LT&C	5000	5000	3.875	115.9
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2234	4960	<u>2.22</u>	2234	5350	<u>2.40</u>	58	162	<u>2.79 J</u>

Prepared R.A.McKee
by: Utah Dept. of Natural Resources

Date: April 24,2001
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 5000 ft, a mud weight of 8.6 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	04-01 Dominion State 44-2	
Operator:	Dominion E & P	Project ID:
String type:	Surface	43-047-33174
Location:	Uintah Co.	

Design parameters:
Collapse

Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 69 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 185 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.447 psi/ft
Calculated BHP 134 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 263 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 5,000 ft
Next mud weight: 8.600 ppg
Next setting BHP: 2,234 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 300 ft
Injection pressure 300 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	300	9.625	36.00	J-55	ST&C	300	300	8.796	21.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	130	2020	15.56	134	3520	26.26	11	394	36.48 J

Prepared R.A.McKee
by: Utah Dept. of Natural Resources

Date: April 24,2001
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 300 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

FILE

FEB 24 1999

SECRETARY, BOARD OF
OIL, GAS & MINING

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

---oo0oo---

IN THE MATTER OF THE REQUEST :	
FOR AGENCY ACTION OF WHITE :	FINDINGS OF FACT,
RIVER RESOURCE MANAGEMENT, :	CONCLUSIONS OF LAW
INC. FOR AN ORDER VACATING THE :	AND ORDER
ORDER ENTERED NOVEMBER 22, 1985 :	
IN CAUSE NO. 210-3 INsofar AS IT :	
APPLIES TO SECTION 2 OF TOWNSHIP :	DOCKET NO. 98-021
11 SOUTH, RANGE 23 EAST, SLM, :	CAUSE NO. 210-3(B)
UINTAH COUNTY, UTAH. :	

---oo0oo---

This cause came on for hearing before the Utah Board of Oil, Gas and Mining (the "Board") on Wednesday, January 27, 1999, at the hour of 10:00 a.m., in Salt Lake City, Utah.

The following Board members were present and participated at the hearing:

Dave D. Lauriski
Thomas B. Faddies
Jay L. Christensen
Elise L. Erler
Allan Mashburn
Stephanie Cartwright

Attending and participating on behalf of the Division of Oil, Gas and Mining (the "Division") were Lowell P. Braxton, Director, John R. Baza, Associate Director, Robert J. Krueger, Petroleum Engineer, and Brad Hill, Geologist. The Board and the Division were represented by Daniel G. Moquin, Esq., and Patrick J. O'Hara, Esq., Assistant Attorneys General, respectively. Attending and participating on behalf of the Bureau of Land Management ("BLM") was Robert Henricks, Chief-Branch of Fluid Minerals, Utah State Office.

Testifying on behalf of Petitioner White River Enterprises, LLC ("White River") was Dave Koval, Geologist. Michael S. Johnson, Esq., Pruitt, Gushee & Bachtell, appeared as attorney on behalf of White River.

No protests were received and no representative made an appearance on behalf of any other party.

The Division expressed its support of, and the BLM did not oppose, the Request for Agency Action. No statements were made at the hearing in opposition of the Request for Agency Action and no other parties appeared or participated at the hearing.

The Board, having considered the testimony presented and the exhibits received into evidence at the hearing, being fully advised, and for good cause appearing, hereby makes the following Findings of Fact, Conclusions of Law, and Order.

FINDINGS OF FACT

1. The following Uintah County lands (hereinafter referred to as the "Subject Lands") were, as of the date of the hearing, subject to the spacing order entered in Cause No. 210-3 establishing 320-acre drilling units.

Township 11 South, Range 23 East, SLM

Section 2: All

2. White River is a Texas Limited Liability Company in good standing and authorized to conduct business in the State of Utah. White River owns working interests in 100% of the Subject Lands and intends to drill, complete and operate wells thereon for the production of gas.

3. The Oil and Gas Conservation Rules in effect on November 22, 1985, the date of the Order in Cause No. 210-3, provided for gas wells to be located at least 4,960' apart or equivalently, to be drilled on approximately 640-acre patterns.

4. The Petitioner in Cause No. 210-3 requested, and was granted, the ability to drill gas wells on a denser spacing pattern than was permissible under the statewide gas well location rule in effect at that time. The Board's Order in Cause No. 210-3 represented a spacing of the lands subject to that Order for gas wells, to allow one gas well to be drilled per 320-acre drilling unit.

5. On January 3, 1986, by Order in Cause No. 190-7, the Board repealed the statewide gas well location rule discussed in paragraph 3 above, and adopted, effective December 2, 1985, the statewide well location rule now in effect for both oil and gas wells. The current rule allows both oil and gas wells to be drilled on any 40-acre quarter-quarter section or equivalent tract. The transcript of the hearing in Cause No. 190-7 reflects that the change in the statewide gas well location rule was made, in part, because the former gas well location rule had discouraged development, and because the former well location requirements for gas wells was too large.

6. The evidence presented by the Petitioner in Cause No. 210-3 does not indicate that it would be inappropriate for the Subject Lands to be returned to an unspaced condition which would allow optimum flexibility to site wells within 40-acre tracts as allowed by the current well location rule.

7. White River presented geologic and engineering evidence demonstrating that 320-acre spacing for gas wells on the Subject Lands will not result in the greatest recovery of hydrocarbon substances from those lands, that the Order in Cause No. 210-3 should be vacated insofar as it applies to the Subject Lands, and that the Subject Lands should revert to the statewide well location requirements of the present Oil and Gas Conservation Rules.

8. Vacating the Board's Order in Cause No. 210-3 insofar as it applies to the Subject Lands will allow for the orderly development of those lands, prevent waste, adequately protect the correlative rights of all affected parties, result in the greatest recovery of hydrocarbon substances, and is just and reasonable under the circumstances.

9. A copy of the Request for Agency Action was mailed to the royalty, overriding royalty, working interest and other production interest owners, and operators within the Subject Lands disclosed by the appropriate Federal, State and County realty records.

10. Notice was duly published as required under Utah Admin. Code Rule R641-106-100.

11. The vote of the Board members present at the hearing in this case was unanimous in favor of granting the Request for Agency Action.

CONCLUSIONS OF LAW

1. Due and regular notice of the time, place, and purpose of the hearing was properly given to all interested parties in the form and manner as required by law and the rules and regulations of the Board and Division.

2. The Board has jurisdiction over all matters covered by the Request for Agency Action and all interested parties therein, and has the power and authority to render the order herein set forth pursuant to Utah Code Ann. §§ 40-6-5(3)(b) and 40-6-6.

3. The Request for Agency Action satisfies all statutory and regulatory requirements for the relief sought therein and should be granted.

ORDER

Based upon the Request for Agency Action, testimony and evidence submitted, and the Findings of Fact and Conclusions of Law stated above, the Board hereby orders:

1. The Request for Agency Action in this Cause is granted.
2. The Board's Order in Cause No. 210-3 establishing 320-acre drilling units is hereby vacated insofar as it applies to the Subject Lands.
3. Well location on the Subject Lands will now be governed by Utah Admin. Code Rule R649-3-2.
4. Pursuant to Utah Admin. Code Rule R641 and Utah Code Ann. § 63-46b-6 to -10, the Board has considered and decided this matter as a formal adjudication.
5. This Findings of Fact, Conclusions of Law and Order ("Order") is based exclusively on evidence of record in the adjudicative proceeding or on facts officially noted, and constitutes the signed written order stating the Board's decision and the reasons for the decision, all as required by the Administrative Procedures Act, Utah Code Ann. § 63-46b-10 and Utah Administrative Code Rule R641-109.

6. Notice re: Right to Seek Judicial Review by the Utah Supreme Court or to Request Board Reconsideration: As required by Utah Code Ann. § 63-46b-10(e) to -10(g), the Board hereby notifies all parties in interest that they have the right to seek judicial review of this final Board Order in this formal adjudication by filing a timely appeal with the Utah Supreme Court within 30 days after the date that this Order is issued. Utah Code Ann. § 63-46b-14(3)(a) and -16. As an alternative to seeking immediate judicial review, and not as a prerequisite to seeking judicial review, the Board also hereby notifies parties that they may elect to request that the Board reconsider this Order, which constitutes a final agency action of the Board. Utah Code Ann. § 63-46b-13, entitled, "Agency review - Reconsideration," states:

(1)(a) Within 20 days after the date that an order is issued for which review by the agency or by a superior agency under Section 63-46b-12 is unavailable, and if the order would otherwise constitute final agency action, any party may file a written request for reconsideration with the agency, stating the specific grounds upon which relief is requested.

(b) Unless otherwise provided by statute, the filing of the request is not a prerequisite for seeking judicial review of the order.

(2) The request for reconsideration shall be filed with the agency and one copy shall be sent by mail to each party by the person making the request.

(3)(a) The agency head, or a person designated for that purpose, shall issue a written order granting the request or denying the request.

(b) If the agency head or the person designated for that purpose does not issue an order within 20 days after the filing of the request, the request for reconsideration shall be considered to be denied.

Id. The Board also hereby notifies the parties that Utah Admin. Code Rule R641-110-100, which is part of a group of Board rules entitled, "Rehearing and Modification of Existing Orders," states:

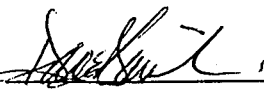
Any person affected by a final order or decision of the Board may file a petition for rehearing. Unless otherwise provided, a petition for rehearing must be filed no later than the 10th day of the month following the date of signing of the final order or decision for which the rehearing is sought. A copy of such petition will be served on each other party to the proceeding no later than the 15th day of the month.

Id. See Utah Admin. Code Rule R641-110-200 for the required contents of a Petition for Rehearing. If there is any conflict between the deadline in Utah Code Ann. § 63-46b-13 and the deadline in Utah Admin. Code Rule R641-110-100 for moving to rehear this matter, the Board hereby rules that the later of the two deadlines shall be available to any party moving to rehear this matter. If the Board later denies a timely petition for rehearing, the party may still seek judicial review of the Order by perfecting a timely appeal with the Utah Supreme Court within 30 days thereafter.

7. The Board retains continuing jurisdiction over all the parties and over the subject matter of this Cause, except to the extent said jurisdiction may be divested by the filing of a timely appeal to seek judicial review of this Order by the Utah Supreme Court.

ISSUED this 24th day of February, 1999.

**STATE OF UTAH
BOARD OF OIL, GAS & MINING**

By: 
Dave D. Lauriski, Chairman

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

Operator Name: Lone Mountain Production Company

Name & Number: State M 44-2

API Number: 43-047-33174

Location: 1/4,1/4 SE SE Sec. 2 T. 11S R. 23E COUNTY: UINTAH

Geology/Ground Water:

This Permit calls for 300' of 95/8 36# casing. To date drilling in the area has not encountered any water at or near the surface. The closest known well is over two miles to the North. There are no points of diversion within 5280 feet of this location. The casing program for this well is consistent with the historic data in this area and should be sufficient to cover any zones of interest.

Reviewer: K. Michael Hebertson **Date:** 19-Oct-1998

Surface:

This location is in the bottom of a wash that runs generally East - West and feeds into a secondary wash which ultimately runs into Atchee Wash and thence to the White River. For a portion of the distance to the location the access road will follow up the natural course of the primary and secondary drainage with minor alteration required to the water course. Wildlife and State Lands were invited and Wildlife opted to attend, however State Lands did not. There is heavy use of this entire area by wildlife and possible raptors as the cliffs rising out of the wash would tend to be a natural attractor for this kind of wildlife. However no nests were observed. The natural terrain of this section is very rugged and is not conducive to locations that are easily accessible.

Reviewer: K. Michael Hebertson **Date:** 20-Oct-1998 2:30 PM

Conditions of Approval/Application for Permit to Drill:

1. All fill slopes will be bermed at the bottom and a catchment ditch left to impede the normal erosion coming of the location.
2. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

State of Utah
On-Site Evaluation
Division of Oil, Gas and Mining

OPERATOR: Lone Mountain Production Company

WELL NAME & NUMBER: State M44-2

API NUMBER: 43-047-33174

LEASE: ML - 47078 **FIELD/UNIT:** Undesignated (002)

LOCATION: 1/4, 1/4 SE SE Sec: 2 TWP: 11S RNG: 23E 909 FSL 748 FEL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL

GPS COORD (UTM): E & N

SURFACE OWNER: State Of Utah

PARTICIPANTS:

Mike Hebertson (DOGM), & Bill Ryan (Agent for Lone Mountain)

REGIONAL/LOCAL SETTING & TOPOGRAPHY:

Tavaputs Plateau, Northwest of the Roan Cliffs about 20 miles and South of the White River about 3 miles. The entire area drains North to the White River along the drainage of Atchee Wash about 1 mile to the West. The surface is dominated by hills and canyon features that slope gently to the North with moderate to deeply incised canyon bottoms cut by the major streams draining toward the White River. An Oil Field Road access road runs through the East half of section 3 and an existing jeep trail already accesses part of section 2 and goes to the location. This road will need upgrading for 2 miles.

SURFACE USE PLAN:

CURRENT SURFACE USE: Wildlife Habitat, high value winter range

PROPOSED SURFACE DISTURBANCE: A drill pad and access road comprising Approximately 2.5 acres. Including pits and spoil piles.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: One gas well is located to the East of this location about 1 mile.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Pipelines are proposed to follow existing roads and facilities for production will be placed on location.

SOURCE OF CONSTRUCTION MATERIAL: No materials will be transported to this site and all other cuts and fills will be of natural materials incident to the building of the well pad.

ANCILLARY FACILITIES: None

WASTE MANAGEMENT PLAN:

the plan filed with the APD has adequate provisions made for the handling of waste materials.

ENVIRONMENTAL PARAMETERS:

AFFECTED FLOOD PLAINS AND/OR WETLANDS: None noted

FLORA/FAUNA: Deer, Bear, Cougar, Bobcat, Elk, Pinon Juniper, Sage Bitter Brush, Greasewood, other indigenous plants and animals common to Western high plateau localities.

SOIL TYPE AND CHARACTERISTICS: Sandy clay light tan to buff in color. This is a deflation surface and most of the top soils have been blown away leaving broken rocks and gravels of the Uinta formation.

SURFACE FORMATION & CHARACTERISTICS: The surface is the Eocene age Green River Formation, comprised mainly of mudstone and marlstone.

EROSION/SEDIMENTATION/STABILITY: Erosion, Sedimentation, and Stability will be major problems with this site. It is located on the ridge top, is sparsely vegetated and will impact is a major way the top of the small mesa on which it is situated, as the location width exceeds the width of the mesa by several 10 of feet. Slopes in the area are greater than 25% of the North side. It was recommended that this location be revegetated immediately after drilling is completed.

PALEONTOLOGICAL POTENTIAL: None Noted

RESERVE PIT:

CHARACTERISTICS: 180 X 50 X 10' outboard of the location with a 20 X 20 X 10' deep flare pit attached to the reserve pit.

LINER REQUIREMENTS (Site Ranking Form attached): A liner is required for this pit.

SURFACE RESTORATION/RECLAMATION PLAN:

A restoration plan was submitted as part of the APD along with seed mixtures and amounts per acre. Mr Ryan was informed that the State preferred to stipulate this requirement at the time of abandonment.

SURFACE AGREEMENT: This agreement is part of the Lease from the State of Utah

CULTURAL RESOURCES/ARCHAEOLOGY: completed and filed prior to the Pre-site

OTHER OBSERVATIONS/COMMENTS:

This APD is actually being submitted for White River Corporation, however the Unit operator is Rosewood, and Lone Mountain is filing because White River has no operating Bonds. This area is included as part of an EA that is currently being conducted by the BLM. Mr. Ryan also indicated that the operators are under severe pressure to maintain a "critical" viewshed overlook that is about 3 miles away. It was even suggested that the cut and fill material be artificially aged with chemicals to make the location look like it was natural and

would blend in with the rest of the dirt and rocks in the area. As a stipulation to the approval of the EA the BLM is requiring the operator to agree to this procedure on all acreage within the EA regardless of ownership. There is no known H2S in this area.

ATTACHMENTS:

Photos

K. Michael Hebertson
DOGM REPRESENTATIVE

20-Oct-1998 3:30PM
DATE/TIME

Evaluation Ranking Criteria and Ranking Score For Reserve and Onsite Pit Liner Requirements

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility		
Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>
Final Score (Level III Sensitivity)		<u>25</u>











Dominion Exploration & Production, Inc.
Four Greenspoint Plaza
16945 Northchase Drive, Suite 1750, Houston, TX 77060-2133



April 2, 2001

Utah Board of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Attention: Lisha Cordova

RE: Rule 649-3-2
Exception to Location & Siting of Well

Dominion Exploration & Production, Inc. is requesting exception to Rule 649-3-2 for the following wells due to topography.

State M 23-2 NE SW Sec. 2, T11S, R23E

The wells referenced above are greater than 920' from an existing well. Dominion Exploration & Production, Inc. is the only owner within a 460' radius for both wells. The State of Utah is the surface owner for both wells.

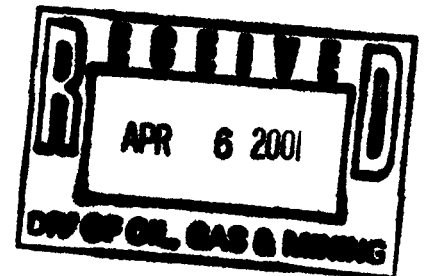
If you require additional information please contact me at (281) 873-3692. Thank you for your attention to this matter.

Respectfully,

Dominion Exploration & Production, Inc.

Diann Flowers
Regulatory Specialist

Cc: Bill Bullard
Mitch Hall
Stephan Case
Well Files



Dominion Exploration & Production, Inc.
Four Greenspoint Plaza
16945 Northchase Drive, Suite 1750, Houston, TX 77060-2133



April 2, 2001

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Attention: Lisha Cordova

RE: Application to Drill

Attached is an original with two copies of the Application for Permit to Drill, cover page only, for the following well:

State M 23-2
State M 44-2

Dominion Expl. & Prod., Inc. is requesting that these applications and their attachments be held confidential.

Also attached is a request for an exception to well location for each well referenced.

If you require additional information, please contact me at (281) 873-3692. Thank you for your assistance in this matter.

Sincerely,

Dominion Exploration & Production, Inc.

Diann Flowers
Regulatory Specialist

Cc: Bill Bullard
Mitch Hall
Stephan Case
Well Files

RECEIVED

APR 06 2001

DIVISION OF
OIL, GAS AND MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47078
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: DOMINION EXPLORATION & PRODUCTION, INC.		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 16945 NORTHCHASE DRIVE, SUITE 1750 HOUSTON, TEXAS 77060		8. WELL NAME and NUMBER: STATE M 44-2
PHONE NUMBER: (281) 873-3692		9. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 909' FSL & 748' FEL AT PROPOSED PRODUCING ZONE:		10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE SE Sec. 2, T11S, R23E
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: +/- 35.3 miles NW of Bonanza		11. COUNTY: UINTAH 12. STATE: UTAH
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 748'	15. NUMBER PF ACRES IN LEASE: 704	16. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40
17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2,387'	18. PROPOSED DEPTH: 5000'	19. BOND DESCRIPTION: #76S 63050 361
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): GR: 6016'	21. APPROXIMATE DATE WORK WILL START: MAY 15, 2001	22. ESTIMATED DURATION: 14 DAYS

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12-1/4"	9-5/8", 36#/ft. J-55	+/- 300'	150 sx Class "G"; 1.16 cu ft/sk; 15.82 lbs/gal
7-7/8"	4-1/2", 11.6#/ft. J-55	TD	745 sx Class "G"; 1.44 cu ft/sk; 15.23 lbs/gal

24. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

CONFIDENTIAL

NAME (PLEASE PRINT) DIANN FLOWERS TITLE REGULATORY SPECIALIST

SIGNATURE Diann Flowers DATE APRIL 2, 2001

(This space for State use only)

API NUMBER ASSIGNED: 43042-33174

Approved by the
Utah Division of
Oil, Gas and Mining

RECEIVED

APR 06 2001

Date: 05-01-01

By: [Signature]

DIVISION OF
OIL, GAS AND MINING

T11S, R23E, S.L.B.&M.

LONE MOUNTAIN PRODUCTION

Well location, STATE M #44-2
located as shown in the SE 1/4 SE 1/4
of Section 2, T11S, R23E, S.L.B.&M. Uintah
County Utah.

BASIS OF ELEVATION

BENCH MARK 87 EAM LOCATED IN THE SW 1/4 OF
SECTION 1, T12S, R23E, S.L.B.&M. TAKEN FROM THE
ARCHY BENCH SE. QUADRANGLE, UTAH, UINTAH
COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP)
PUBLISHED BY THE UNITED STATES DEPARTMENT
OF THE INTERIOR, GEOLOGICAL SURVEY. SAID
ELEVATION IS MARKED AS BEING 5887 FEET.

T10S
T11S

WEST
11.27
(G.L.O.)

WEST - 39.98 (G.L.O.)

S89°59'W - 39.95 (G.L.O.)

NO°02'W - 49.16 (G.L.O.)

NO°02'W - 49.04 (G.L.O.)

SO°08'05"E 2635.82' (Meas.)

NO°02'W - G.L.O. (Basis of Bearings)
2646.53' (Measured)

1922
Brass Cap,
1.5' High,
Pile Of Stones

1922
Brass Cap,
2.0' High,
Pile Of Stones

STATE M #44-2

Elev. Ungraded Ground = 6016'

1922
Brass Cap,
1.5' High,
Pile Of Stones

1922
Brass Cap,
1.7' High,
Pile Of Stones

S89°54'03"W 2646.09' (Meas.)

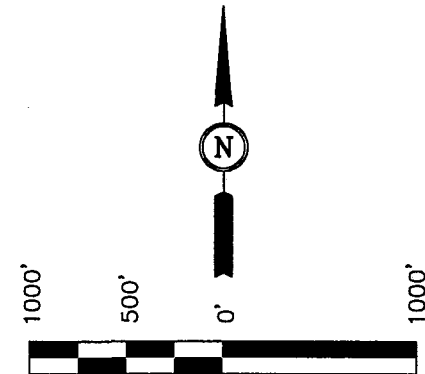
S89°57'07"W 2645.64' (Meas.)

1922 Brass
Cap 1.7' High,
Pile Of Stones

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

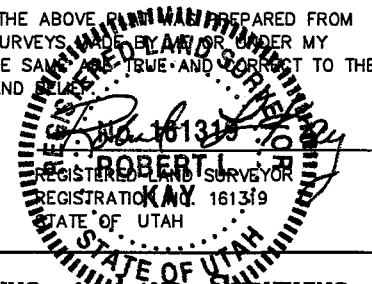
LATITUDE = 39°53'05"
LONGITUDE = 109°18'11"



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE MAP WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.



UINTAH ENGINEERING & SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 05-27-98	DATE DRAWN: 6-10-98
PARTY D.H. D.H. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE LONE MOUNTAIN PRODUCTION	

LONE MOUNTAIN PRODUCTION COMPANY

Mailing Address:
P.O. Box 3394
Billings, MT 59103-3394

(406) 245-5077
FAX 248-6321

Shipping Address:
100 North 27th Street
Suite 650
Billings, MT 59101

April 20, 2001

COPY

State of Utah
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

Attn: Leisha Cordova

RE: RESIGNATION OF OPERATOR
VARIOUS WELLS
UINTAH COUNTY, UTAH

Dear Leisha:

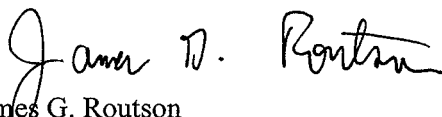
Please be advised Lone Mountain Production Company resigns as Operator of the attached list of wells in the referenced county, effective January 1, 2001.

All future correspondence should be directed to Diann Flowers, Dominion Exploration & Production Inc., 16945 Northchase Drive, Suite 1750, Houston, Texas 77060.

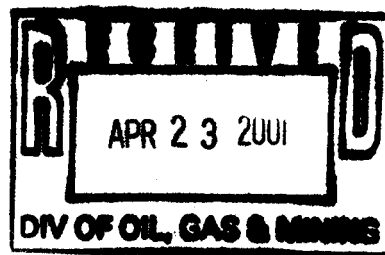
Should you have any questions or need further information, please contact our office at the letterhead address or phone number.

Sincerely,

LONE MOUNTAIN PRODUCTION COMPANY


James G. Routson
President

attachment



RECEIVED

APR 23 2001

DIVISION OF
OIL, GAS AND MINING

**RESIGNATION OF OPERATOR
LONE MOUNTAIN PRODUCTION COMPANY
UINTAH COUNTY, UTAH**

<u>Well Name</u>	<u>API No.</u>
State M 44-2	Pending
H. R. State S-24-2	Pending
State M 23-2	Pending
H. R. State S 44-2	43-047-33130
State L 23-16	43-047-33251
Federal N 31-21	43-047-33167
Federal T 31-11	43-047-33183
Federal N 11-7	43-047- 33248 33249 / Pending

JUN 23 1993
DIVISION OF
OIL, GAS AND MINING



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

May 1, 2001

Dominion Exploration & Production, Inc.
16945 Northchase Dr, Suite 1750
Houston, TX 77060

Re: State M 44-2 Well, 909' FSL, 748' FEL, SE SE, Sec. 2, T. 11 South, R. 23 East,
Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33174.

Sincerely,

John R. Baza
Associate Director

er

Enclosures

cc: Uintah County Assessor
SITLA

Operator: Dominion Exploration & Production, Inc.
Well Name & Number State M 44-2
API Number: 43-047-33174
Lease: ML 47078

Location: SE SE Sec. 2 T. 11 South R. 23 East

Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UT ML-47078
2. NAME OF OPERATOR: Dominion Exploration & Production, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 14000 Quail Springs CITY Oklahoma City STATE OK ZIP 73134		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (405) 749-1300		8. WELL NAME and NUMBER: State M 44-2
4. LOCATION OF WELL FOOTAGES AT SURFACE: 909' FSL & 748' FEL		9. API NUMBER: 4304733174
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 2 11S 23E		10. FIELD AND POOL, OR WILDCAT:

COUNTY: Uintah

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Extension of APD
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Dominion hereby requests a one year extension to the APD for the above referenced well.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 05-15-02

By: [Signature]

COPY SENT TO OPERATOR
Date: 05-15-02
Initials: CHO

NAME (PLEASE PRINT) Carla Christian TITLE Regulatory Technician
SIGNATURE [Signature] DATE 5/6/2002

(This space for State use only)

RECEIVED
MAY 10 2002
DIVISION OF
OIL, GAS AND MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UT ML-47078
2. NAME OF OPERATOR: Dominion Exploration & Production, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 14000 Quail Springs CITY Oklahoma City STATE OK ZIP 73134		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (405) 749-1300		8. WELL NAME and NUMBER: State M 44-2
4. LOCATION OF WELL FOOTAGES AT SURFACE: 909' FSL & 748' FEL		9. API NUMBER: 4304733174
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 2 11S 23E		10. FIELD AND POOL, OR WILDCAT:

COUNTY: Uintah

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Extension of APD
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Dominion hereby requests a one year extension to the APD for the above referenced well.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 06-24-03
By: [Signature]

NAME (PLEASE PRINT) Carla Christian TITLE Regulatory Technician
SIGNATURE [Signature] DATE 5/27/2003

(This space for State use only)

RECEIVED

JUN 02 2003

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-33174
Well Name: State M 44-2
Location: Sec. 2-11S-23E
Company Permit Issued to: Dominion Exploration & Production, Inc.
Date Original Permit Issued: May 1, 2001

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Carla Christian
Signature

6/2/03

Date

Title: Regulatory Specialist

Representing: Dominion Exploration & Production, Inc.

RECEIVED

JUN 05 2003

DIV. OF OIL, GAS & MINING

From: <Carla_M_Christian@dom.com>
To: "Diana Whitney" <dianawhitney@utah.gov>
Date: 6/28/2004 10:42:04 AM
Subject: Re: APD extentions

Diana,

Dominion would like to rescind the APD's for the State M 23-2 and State M 44-2. The ROW applications were withdrawn from the BLM back on September 16, 2003.

Thanks,
Carla

Carla Christian
Regulatory Specialist
Dominion Exploration & Production, Inc.
Phone: (405) 749-5263 Tie Line: 8-670-5263

"Diana Whitney"
<dianawhitney@uta To: <Carla_M_Christian@dom.com>
h.gov> cc:
Subject: APD extentions
06/28/2004 09:51
AM

Hi Carla,

The State M 23-2 and the State M 44-2 has expired. Do you want me to rescind these apds for would you like to send in a sundry notice?

Thanks,
Diana



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

June 30, 2004

Carla Christian
Dominion Expl & Prod Inc.
14000 Quail Springs Parkway
Oklahoma City, OK 73134

Re: APD Rescinded – State M 44-2 Sec. 2, T.11S, R. 23E Uintah County,
Utah API No. 43-047-33174

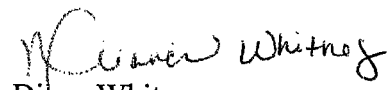
Dear Ms. Christian:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on May 1, 2001. On May 15, 2002 and June 24, 2003 the Division granted a one-year APD extension. On June 28, 2004, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 28, 2004.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Whitney
Engineering Technician

cc: Well File
SITLA, Ed Bonner



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

August 10, 2004

43-047-33174
1 A file

Ms. Teresa Overturf
The Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, TX 77002

RE: Operator Changes in Sec 2, T11S, R23E, Uintah County, Utah

Dear Ms. Overturf:

I am returning the requests for transfer (operator change) and permit extension of the State M 44-22 and State M 23-2 wells that The Division of Oil, Gas and Mining (the Division) received June 21, 2004 from The Houston Exploration Company's (Houston Exploration). Dominion Exploration and Production Inc. (Dominion) submitted both of these Applications for Permit to Drill (APD) and permits were issued to them.

An operator change requires a Form 9 Sundry Notices and Reports on Wells from the current operator and the proposed operator. The Division never received a Form 9 for either well from Dominion. I called a representative from Dominion on July 13, 2004 and faxed information to that individual. Dominion expressed the opinion that they were not aware of a transfer of these permits to Houston Exploration, as they had requested that the permits be abandoned as of June 28, 2004.

Houston Exploration obtained the lease for these locations from School and Institutional Trust Lands Administration (TLA). However, the previous permits would still require Dominion's approval. Since Dominion did not give their approval and had their permits abandoned, it will be necessary for Houston Exploration to submit new APD's for these locations. Please forward the appropriate paperwork to Diana Whitney at the Division.

If you have other questions, please call me at (801) 538-5336 or Diana at (801) 538-5312.

Sincerely,

Earlene Russell
Earlene Russell
Engineering Technician

Enclosures

cc: Diana Whitney
Ed Bonner, TLA
Dominion Exploration & Production Inc
Well files

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>To be drilled</u>		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: <u>The Houston Exploration Company</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: <u>1100 Louisiana, Ste 2000</u> CITY <u>Houston</u> STATE <u>TX</u> ZIP <u>77002</u>		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: <u>(713) 830-6938</u>		8. WELL NAME and NUMBER: <u>State M 44-2</u>
4. LOCATION OF WELL FOOTAGES AT SURFACE:		9. API NUMBER: <u>43-047-33174</u>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <u>SESE Sec.2, T11S, R23E</u>		10. FIELD AND POOL, OR WILDCAT:

COUNTY: Uintah

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Permit extention + transfer</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The Permit to Drill this well will expire 6/24/04. The Houston Exploration Company recently obtained this lease and would like to request an extension to the drilling permit.

NAME (PLEASE PRINT) Theresa Overturf TITLE Engineering Technician
SIGNATURE Theresa Overturf DATE 6/17/04

(This space for State use only)

RECEIVED

JUN 21 2004

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	State M 44-2
API number:	43-047-33174
Location:	Qtr-Qtr: SWSW Section: 2 Township: 11S Range: 23E
Company that filed original application:	Dominion Exploration and Production Inc.
Date original permit was issued:	
Company that permit was issued to:	Dominion Exploration and Production Inc.

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		X
<input type="checkbox"/> If so, has the surface agreement been updated?		X
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		X
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		X
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		X
Has the approved source of water for drilling changed?		X
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		X
Is bonding still in place, which covers this proposed well? Bond No. <u>104155043</u>	X	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

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JUN 21 2004

Name (please print) Theresa Overturf Title Engineering Technician
Signature Theresa Overturf Date 6/17/04 DIV. OF OIL, GAS & MINING
Representing (company name) The Houston Exploration Company

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

7/1/2007

FROM: (Old Operator): N1095-Dominion Exploration & Production, Inc 14000 Quail Springs Parkway, Suite 600 Oklahoma City, OK 73134 Phone: 1 (405) 749-1300	TO: (New Operator): N2615-XTO Energy Inc 810 Houston St Fort Worth, TX 76102 Phone: 1 (817) 870-2800
--	--

CA No.

Unit:

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/6/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/6/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/6/2007
- a. Is the new operator registered in the State of Utah: Business Number: 5655506-0143
- b. If **NO**, the operator was contacted on: _____
- a. (R649-9-2) Waste Management Plan has been received on: IN PLACE
- b. Inspections of LA PA state/fee well sites complete on: n/a
- c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: _____
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: _____
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: _____

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 9/27/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/27/2007
- Bond information entered in RBDMS on: 9/27/2007
- Fee/State wells attached to bond in RBDMS on: 9/27/2007
- Injection Projects to new operator in RBDMS on: 9/27/2007
- Receipt of Acceptance of Drilling Procedures for APD/New on: 9/27/2007

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000138
- Indian well(s) covered by Bond Number: n/a
- a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 104312762
- b. The **FORMER** operator has requested a release of liability from their bond on: 1/23/2008

The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: _____

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: XTO Energy Inc. <i>N2615</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 810 Houston Street CITY Fort Worth STATE TX ZIP 76102		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: SEE ATTACHED		8. WELL NAME and NUMBER: SEE ATTACHED
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		9. API NUMBER: SEE ATTACHED
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Natural Buttes
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Effective July 1, 2007, XTO Energy Inc. has purchased the wells listed on the attachment from:

Dominion Exploration & Production, Inc.
14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134

N1095

James D. Abercrombie
James D. Abercrombie
Sr. Vice President, General Manager - Western Business Unit
(405) 749-1300

Please be advised that XTO Energy Inc. is considered to be the operator on the attached list and is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands. Bond coverage is provided by Nationwide BLM Bond #104312750 and Department of Natural Resources Bond #104312762.

NAME (PLEASE PRINT) <i>Edwin S. Ryan, Jr.</i>	TITLE <i>Sr. Vice President - Land Administration</i>
SIGNATURE <i>Edwin S. Ryan, Jr.</i>	DATE <i>7/31/2007</i>

(This space for State use only)

APPROVED *9127107*

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

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AUG 06 2007

DIV. OF OIL, GAS & MINING

N1095 DOMINION E and P, INC. to N2615 XTO ENERGY, INC.

api	well_name	qtr_qtr	sec	tpw	rng	lease_num	entity	Lease	well	stat
4301530633	SKYLINE U 1-6	NENE	06	160S	060E	UTU-77263	99999	Federal	GW	DRL
4304731138	RBU 11-34B	NESW	34	090S	190E	U-017713	7058	Federal	GW	P
4304731179	BARTON FED 1-26	NWSE	26	100S	190E	U-43156	8005	Federal	GW	P
4304731724	RBU 11-35B	NESW	35	090S	190E	U-017713	11502	Federal	GW	S
4304731818	WILLOW CREEK UNIT 2	SESW	05	110S	200E	U-39223	11604	Federal	GW	TA
4304731878	EVANS FED 3-25	NENW	25	100S	190E	U-43156	11106	Federal	GW	P
4304731879	EVANS FED 41-26	NENE	26	100S	190E	U-43156	11034	Federal	GW	P
4304731881	APACHE 12-25	NWSW	25	100S	190E	UTU-3405	11080	Indian	GW	P
4304731897	END OF THE RAINBOW 21-1	SWSE	21	110S	240E	U-54224	11223	Federal	GW	S
4304731922	APACHE FED 44-25	SESE	25	100S	190E	U-3405	11185	Federal	GW	S
4304732094	RBU 13-35B	SWSW	35	090S	190E	U-017713	7058	Federal	GW	S
4304732222	RBU 15-35B	SWSE	35	090S	190E	U-017713	11365	Federal	GW	S
4304732237	FEDERAL 13-26B	SWSW	26	090S	190E	UTU-68625	11370	Federal	GW	S
4304732394	EVANS FED 12-25A	SWNW	25	100S	190E	U-43156	11451	Federal	GW	P
4304732395	EVANS FED 32-26	SWNE	26	100S	190E	U-43156	11447	Federal	GW	P
4304732515	WHB 1-25E	NENE	25	100S	190E	U-73011	11720	Federal	GW	P
4304732557	FEDERAL 12-11	SWNW	11	120S	240E	UTU-66425	11761	Federal	GW	S
4304732558	FEDERAL 34-30	SWSE	30	110S	230E	UTU-66410	11747	Federal	GW	S
4304732559	FEDERAL 22-22	SENW	22	110S	230E	UTU-66409	11746	Federal	GW	P
4304732560	FEDERAL 21-27	NENW	27	100S	240E	UTU-66422	11762	Federal	GW	P
4304732600	RBU 1-21EO	NENE	21	100S	190E	U-013766	11783	Federal	OW	S
4304732681	LANDING STRIP FEDERAL 44-10	SESE	10	120S	240E	UTU-69430	11853	Federal	GW	S
4304733019	BLACK DRAGON UNIT 31-34	NWNE	34	100S	240E	UTU-66422	12280	Federal	GW	P
4304733242	FEDERAL K 23-22	NESW	22	110S	210E	UTU-75098	13107	Federal	GW	P
4304733299	FED K 12-22	SWNW	22	110S	210E	UTU-75098	13133	Federal	GW	P
4304733508	EVANS FED 15-26E	SWSE	26	100S	190E	U-3405	12767	Federal	GW	P
4304733509	EVANS FED 9-26E	NESE	26	100S	190E	UTU-3405	12749	Federal	GW	P
4304733510	EVANS FED 10-25E	NWSE	25	100S	190E	U-3405	12927	Federal	GW	P
4304733511	EVANS FED 14-25E	SESW	25	100S	190E	U-3405	12793	Federal	GW	P
4304734000	RBU 1-18E	NENE	18	100S	190E	UTU-3576	14549	Federal	GW	P
4304734669	EVANS FED 4-25E	NENE	26	100S	190E	U-43156	13588	Federal	GW	P
4304734887	EVANS FED 2-26E	NWNE	26	100S	190E	U-43156	13830	Federal	GW	P
4304734908	EVANS FED 15-25E	NWSE	25	100S	190E	U-3405	14023	Federal	GW	P
4304734909	WH FED 11-26E	NESW	26	100S	190E	UTU-3405	14629	Federal	GW	P
4304734984	WHB 4-26E	NWNW	26	100S	190E	U-43156	14898	Federal	GW	P
4304734985	WHB 6-26E	SENW	26	100S	190E	U-43156	14886	Federal	GW	P
4304735034	EVANS FED 8-26E	SENE	26	100S	190E	U-43156	14145	Federal	GW	P
4304735035	WHB 12-26E	NWSW	26	100S	190E	UTU-3405	14899	Federal	GW	P
4304735036	EVANS FED 11-25E	NESW	25	100S	190E	UTU-3405	14134	Federal	GW	P
4304735037	EVANS FED 13-25E	SWSW	25	100S	190E	UTU-3405	14090	Federal	GW	P
4304735043	EVANS FED 16-26E	SESE	26	100S	190E	UTU-3405	14372	Federal	GW	P
4304735063	EVANS FED 8-25E	SENE	25	100S	190E	U-43156	14089	Federal	GW	P
4304735064	EVANS FED 6-25E	SENW	25	100S	190E	U-43156	14135	Federal	GW	P
4304735065	EVANS FED 9-25E	NESE	25	100S	190E	UTU-3405	13983	Federal	GW	P
4304735102	EVANS FED 2-25E	NWNE	25	100S	190E	U-43156	13956	Federal	GW	P
4304737451	WHB 13-26E	SWSW	26	100S	190E	UTU-3405	16058	Federal	GW	P
4304738869	LOVE 4-20G	NWNW	20	110S	210E	UTU-076040	16249	Federal	GW	DRL
4304739064	UTE TRIBAL 2-11H	NENW	11	110S	200E	14-20-H62-5611	16072	Indian	GW	DRL

N1095 DOMINION E and P, INC. to N2615 XTO ENERGY, INC.

api	well_name	qtr_qtr	sec	tpw	rng	lease_num	entity	Lease	well	stat
4304731777	STATE 4-36E	NWNW	36	100S	190E	ML-42175	11186	State	GW	P
4304731784	STATE 12-36E	NWSW	36	100S	190E	ML-42175	99998	State	GW	LA
4304732019	STATE 11-36E	NESW	36	100S	190E	ML-42175	11232	State	GW	P
4304732224	STATE 5-36B	SWNW	36	090S	190E	ML-45173	11363	State	GW	PA
4304732249	STATE 9-36B	NESE	36	090S	190E	ML-45173	11372	State	GW	PA
4304732316	RBU 12-2F	NWSW	02	100S	200E	ML-10716	99998	State	GW	LA
4304732404	STATE 2-36E	NWNE	36	100S	190E	ML-42175	99998	State	GW	LA
4304732405	STATE 9-36E	NESE	36	100S	190E	ML-42175	99998	State	GW	LA
4304732845	H R STATE S 22-2	SENE	02	120S	230E	ML-42215		State	GW	LA
4304732870	H R STATE S 24-2	SESE	02	120S	230E	ML-42215		State	GW	LA
4304732940	H R STATE S 42-2	SENE	02	120S	230E	ML-42215	13175	State	D	PA
4304732979	STATE 2-36E	NWNE	36	100S	190E	ML-42175	12390	State	GW	P
4304733129	STATE G 22-32	SENE	32	100S	230E	ML-47063		State	GW	LA
4304733130	H R STATE S 44-2	SESE	02	120S	230E	ML-42215		State	GW	LA
4304733169	STATE M 42-2	SENE	02	110S	230E	ML-47078		State	GW	LA
4304733173	STATE M 23-2	NESW	02	110S	230E	ML-47078		State	GW	LA
4304733174	STATE M 44-2	SESE	02	110S	230E	ML-47078		State	GW	LA
4304733175	STATE N 31-16	NWNE	16	110S	240E	ML-47080		State	GW	LA
4304733176	STATE Q 44-16	SESE	16	120S	210E	ML-47085	13134	State	D	PA
4304733181	STATE 1-36E	NENE	36	100S	190E	ML-42175	12539	State	GW	P
4304733738	STATE 1-2D	NENE	02	100S	180E	ML-26968		State	GW	LA
4304733740	STATE 9-2D	NESE	02	100S	180E	ML-13215-A		State	GW	LA
4304733837	STATE 7-36E	SWNE	36	100S	190E	ML-42175	13186	State	GW	P
4304734012	CLIFFS 15-21L	SWSE	21	110S	250E	FEE		Fee	GW	LA
4304734123	STATE 15-36E	SWSE	36	100S	190E	ML-42175	13784	State	GW	P
4304734124	STATE 9-36E	NESE	36	100S	190E	ML-42175	13760	State	GW	P
4304734241	STATE 5-36E	SWNW	36	100S	190E	ML-42175	13753	State	GW	P
4304734284	STATE 13-36E	SWSW	36	100S	190E	ML-42175	13785	State	GW	P
4304734285	STATE 6-36E	SENE	36	100S	190E	ML-42175	13370	State	GW	P
4304735089	WHB 8-36E	SENE	36	100S	190E	ML-42175	14024	State	GW	P
4304735612	WHB 14-36E	SESE	36	100S	190E	ML-42175	14759	State	GW	P
4304736292	WHB 12-36E	NWSW	36	100S	190E	ML-42175	15116	State	GW	P
4304736666	KINGS CANYON 1-32E	NENE	32	100S	190E	ML-47058	14958	State	GW	P
4304736667	KINGS CANYON 10-36D	NWSE	36	100S	180E	ML-047058	14959	State	GW	P
4304737034	AP 15-2J	SWSE	02	110S	190E	ML-36213	15778	State	GW	P
4304737035	AP 10-2J	NWSE	02	110S	190E	ML-36213	16029	State	GW	S
4304737036	AP 9-2J	NESE	02	110S	190E	ML-36213	15881	State	GW	P
4304737037	AP 8-2J	SENE	02	110S	190E	ML-36213	15821	State	GW	P
4304737038	AP 5-2J	SWNW	02	110S	190E	ML-36213	16043	State	D	PA
4304737039	AP 3-2J	NENW	02	110S	190E	ML-36213	15910	State	GW	P
4304737040	AP 2-2J	NWNE	02	110S	190E	ML-36213	99999	State	GW	DRL
4304737041	AP 1-2J	NENE	02	110S	190E	ML-36213	15882	State	GW	P
4304737659	KC 8-32E	SENE	32	100S	190E	ML-047059	15842	State	GW	P
4304737660	KC 9-36D	SESE	36	100S	180E	ML-047058	99999	State	GW	DRL
4304738261	KINGS CYN 2-32E	NWNE	32	100S	190E	ML-047059	15857	State	GW	DRL